

November 13, 1981

## CONGRESSIONAL RECORD—SENATE

S 13385

Her citation read, "In her 30 years at Husson, she has never forgotten that a student is an individual. Thousands of graduates of Husson feel a debt of gratitude to Clara Swan and recognize that part of their accomplishments are due to her teachings, her sense of organization and her administrative skill." ●

## JOHN RAKER: A DEDICATED AMERICAN

● Mr. HELMS. Mr. President, next Saturday in Lexington, N.C., a special, well-deserved tribute will be paid to a splendid citizen of my State, John Raker of Lexington. John Raker is a truly remarkable human being and a treasured friend.

Mr. President, I have known John Raker for many years. He is an outstanding American, Mr. President, with total dedication to God, to family, and to country.

John Raker never sacrifices principle for pragmatism; he never hesitates to choose the difficult course when it is the right course.

In addition to a successful career as a businessman, John Raker has quietly compiled a remarkable record of distinguished service to his community. He has never sought acclaim or recognition; he is instinctively a kind, generous, and compassionate man.

He is a Civitan, and he holds membership in the Royal Order of Redmen, the Oasis Shrine, the Scottish Rite Masons, and the Junior Order. His service in each organization has been marked by the same pattern of loyal and faithful participation.

John Raker has been active in politics for many years. He has attended every State and county GOP convention since 1920, a truly remarkable record.

Mr. President, John Raker has often declared that the smartest thing he ever did, at age 28, was when he persuaded Mable Bernice Ward to become his bride in 1924. Mrs. Raker was killed in a tragic automobile accident about a year ago. It has therefore been a sad, traumatic year for John Raker, but he has weathered it because his love for others has been reciprocated by those who love him.

Mr. President, I am so pleased that a public tribute will be paid to my dear friend, John Raker, a week from tomorrow. I wish I could be there; and, in spirit, I will be there—in a spirit of genuine admiration and days affection for one of nature's nobleman. ●

## PONZI MARCHES ON

● Mr. ARMSTRONG. Mr. President, the Denver Post just published what I believe is the best editorial yet written about efforts to save social security from almost certain bankruptcy.

The editorial, "Ponzi Marches On," is superb. It expresses so well what is on the hearts and minds of hundreds of Coloradans I have talked to: Save social security; do not let it become a football lobbed back and forth for political gain. Social security is the financial lifeline for 35 million Americans. It is foolish, as is wisely explained, to buy "political popularity at the risk of (social security's) ultimate bankruptcy."

I urge my colleagues to send a similar or two-page editorial to the Denver Post, asking that it be printed in the Record.

The editorial follows:

## PONZI MARCHES ON

Millions of Americans looked closer to financial insecurity Wednesday when the House Ways and Means Committee refused to reform the U.S. Social Security System. Pressured by House Speaker Tip O'Neill, the Democratic majority voted to continue the present "Ponzi scheme" which buys political popularity at the risk of ultimate bankruptcy.

A Ponzi scheme is a sort of chain letter. A swindler named Ponzi once borrowed money and secretly used the borrowed capital itself to pay the lenders extravagant dividends. The purpose was to lure still more victims. Eventually Ponzi skipped town, leaving a few early investors with windfall gains and a massive number of destitute latecomers. The theory has lived on in such plays as Glenn W. Turner's "Dare to be Great" pyramid sales scheme—and Social Security.

Of course, Social Security doesn't share Ponzi's dastardly motive. It was born with the noble goal of providing a financial floor under older Americans. But the method of financing is similar to Ponzi's—and subject to the same mathematical laws that eventually undermine all chain letters.

Political demagogues pretend the system is like a private pension plan, with retirees drawing benefits from trust established from their contributions. That isn't true. People pay in, all right, but that money isn't invested. Except for a relatively small reserve, it is paid out as fast as it comes in. Lately, outflow has been faster than income.

In 1938, an entire generation began to draw Social Security despite having paid in little or nothing. Each generation after that initial one has paid taxes to support the retirees ahead of it—counting on those born still later to keep the chain intact. That system worked well enough in the beginning because average life expectancy was about nine years less than today. At the start, there were about nine workers for every retiree, a light burden.

Today, longer life expectancies and lower births rates have dropped the ratio of active workers to retirees to 4-1. When the post-World War II "baby boom" reaches retirement age around the year 2010, there will only be two workers for each retiree. Then, the present system must either tax the next generation mercilessly—or go belly up. Even today, the Social Security tax is stiff—higher than income tax for many—and programmed to go higher.

There is a simple way to stave off Social Security bankruptcy—raise the retirement age to 68.

Because the underlying problem is long-term, that change could be phased in gradually so that people nearing retirement now don't have to upset long-laid plans. Raising the age for full benefits increases the number of active workers paying in while reducing the amount of benefits paid out. It also ensures that retirees can receive a decent sum.

Americans aren't "washed up" at 65—they're not only living longer, those extra years are healthier as well. That fact was recognized recently when Congress outlawed mandatory retirement at age 65. It's time to extend the same realism to Social Security.

The plan defeated Wednesday was a bipartisan effort drafted by Social Security subcommittee chairman J. J. Pickle, D-Texas, and senior Republican Barber Conable, R-N.Y. It would have ensured the system's future solvency in a number of ways including raising the basic retirement age. On O'Neill's orders, the plan was killed on a largely party-line vote of 18-14.

Social Security benefits are the security of every working American and those people depending on the system must wonder whether they can live out the days before the Ponzi scheme collapses under their feet. ●

## ORDER OF BUSINESS

Mr. STEVENS. Mr. President, if the distinguished Senators from West Virginia is prepared to consider certain items, I shall ask that the Chair lay certain messages before the Senate.

## MEMBERSHIP OF UNITED STATES HOLOCAUST COUNCIL

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1672.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1672) entitled "An Act to expand the membership of the United States Holocaust Memorial Council from sixty to sixty-five and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That the Act entitled "An Act to establish the United States Holocaust Memorial Council", approved October 7, 1980 (94 Stat. 1547; Public Law 96-388), is amended—

(1) in subsection (a) of section 2 by striking out "sixty" both times it appears and inserting in lieu thereof "sixty-five";

(2) in subsection (b) of section 2—  
(A) by striking out "the initial" in the first sentence;

(B) by striking out all matter in the second sentence preceding "shall serve" and inserting in lieu thereof "All noncongressional voting members designated under the preceding sentence";

(C) in paragraph (1), by striking out "initial" and inserting in lieu thereof "such noncongressional voting";

(D) in paragraph (2), by striking out "of such initial" and inserting in lieu thereof "eleven of such noncongressional voting";

(E) in paragraph (3) by striking out "ten other initial" and inserting in lieu thereof "eleven other such noncongressional voting"; and

(F) by striking out the sentence following paragraph (3);

(3) in paragraph (1) of subsection (c) of section 2, by striking out "with respect to the initial members of the Council"; and

(4) by striking out subsection (b) of section 5 and substituting the following:

"(b) The Executive Director shall have authority to—

"(1) appoint employees in the competitive service subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and general schedule pay rates; and

"(2) appoint and fix the compensation (at a rate not to exceed the maximum rate of basic pay payable for GS-18 of the General Schedule) of up to three employees notwithstanding any other provision of law."

Mr. STEVENS. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska.

The motion was agreed to.

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Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.  
The motion to lay on the table was agreed to.

#### AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE, INTERNATIONAL COMMUNICATION AGENCY, AND THE BOARD FOR INTERNATIONAL BROADCASTING

Mr. STEVENS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1193.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1193) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes. (The amendment of the House is printed in the Record of October 29, 1981 beginning at page H7905.)

Mr. STEVENS. Mr. President, I move that the Senate disagree with the House amendment, agree to a conference requested by the House of Representatives and the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. LUGAR) appointed Mr. PERCY, Mr. HELMS, Mr. HAYAKAWA, Mr. LUGAR, Mr. PELL, Mr. BIDEN, and Mr. GLENN; Mr. MATHIAS as an additional conferee solely for the consideration of section 120 (a) through (e) of the House amendment; and Mr. CRANSTON in lieu of Mr. BIDEN as an additional conferee solely for consideration of title VI of the bill as passed by the Senate, as conferees on the part of the Senate.

## EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nomination on page 3, Calendar No. 497.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

#### FEDERAL EMERGENCY MANAGEMENT AGENCY

The legislative clerk will read the nomination of Jeffrey S. Bragg, of Ohio, to be Federal Insurance Administrator.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

## LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ORDER OF BUSINESS

Mr. STEVENS. Mr. President, is there an order for convening on Monday?

The PRESIDING OFFICER. There is an order to convene at 11 a.m. on Monday.

#### ORDER FOR THE RECOGNITION OF SENATOR ROBERT C. BYRD ON MONDAY

Mr. STEVENS. Mr. President, in addition to those special orders that are already entered, I ask unanimous consent that the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) be accorded a 15-minute special order in regular order on Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, is there anything further to come before the Senate?

#### RECESS UNTIL MONDAY, NOVEMBER 16, 1981, AT 11 A.M.

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. on Monday.

The motion was agreed to and, at 3:47 p.m., the Senate recessed until Monday, November 16, 1981, at 11 a.m.

## NOMINATIONS

Executive nominations received by the Senate November 13, 1981:

## THE JUDICIARY

Clyde H. Hamilton, of South Carolina, to be U.S. district judge for the district of South Carolina vice Robert F. Chapman, elevated.

## CONFIRMATION

Executive nominations confirmed by the Senate November 13, 1981:

## FEDERAL EMERGENCY MANAGEMENT AGENCY

Jeffrey S. Bragg, of Ohio, to be Federal Insurance Administrator, Federal Emergency Management Agency.